

LINDQUIST & VENNUM P.L.L.P.

4200 IDS CENTER
80 SOUTH EIGHTH STREET
MINNEAPOLIS, MINNESOTA 55402-2205
TELEPHONE: 612-371-3211
FAX: 612-371-3207

IN DENVER
LINDQUIST, VENNUM & CHRISTENSEN P.L.L.P.
600 17TH STREET, SUITE 2125
DENVER, COLORADO 80202-5401
TELEPHONE: 303-573-5900

ATTORNEYS AT LAW

Erin Daniels
Legal Assistant
(612) 371-3909

September 2, 2008

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

South Dakota Secretary of State
State Capitol, Suite 204
U.C.C. Division
500 East Capitol
Pierre, SD 57501-5070

Re: \$1,150,000 Lease Agreement between Wells Fargo Brokerage Services, LLC and Corson County, South Dakota

Dear Filing Officer:

Enclosed for filing is a Bond Information Statement in connection with the above-referenced issue. Also enclosed is the \$1.00 filing fee. Please return acknowledgement of filing on the enclosed copy of this letter.

If you have any questions, please call me at (612) 371-3909.

Sincerely,



Erin Daniels
Legal Assistant

Enclosure

RECEIVED
SEP 04 2008
S.D. SEC. OF STATE
1827225

BOND INFORMATION STATEMENT
State of South Dakota
SDCL 6-8B-19

Return: Secretary of State
State Capitol
500 E. Capitol
Pierre, SD 57501-5077

Every public body, authority, or agency issuing any general obligation, revenue, improvements, industrial revenue, special assessment, or other bonds of any type shall file with the Secretary of State a bond information statement concerning each issue of bonds.

- | | |
|---|--|
| 1. Name of issuer: | Corson County |
| 2. Designation of issue: | Lease Agreement between Wells Fargo Brokerage Services, LLC and Corson County, South Dakota |
| 3. Date of issue: | September 2, 2008 |
| 4. Purpose of issue: | (i) to finance the acquisition, construction and equipping of a county courthouse on certain real property located in the City of McIntosh, South Dakota and (ii) to pay the cost of issuance of the Lease Agreement |
| 5. Type of bond: | Lease Agreement between Wells Fargo Brokerage Services, LLC and Corson County, South Dakota |
| 6. Principal amount and denomination of bond: | \$1,150,000 |
| 7. Paying dates of principal and interest: | See attached Lease Agreement |
| 8. Amortization schedule: | See attached Lease Agreement |
| 9. Interest rate or rates, including total aggregate interest cost: | See attached Lease Agreement |

This is to certify that the above information pertaining to Corson County is true and correct on this 2nd day of September, 2008.

LINDQUIST & VENNUM P.L.L.P.,
as Bond Counsel

By: Elizabeth A. Sny

LEASE AGREEMENT

Dated as of

September 2, 2008

between

WELLS FARGO BROKERAGE SERVICES, LLC
as Lessor

and

CORSON COUNTY, SOUTH DAKOTA
as Lessee

This Instrument Drafted By:

Lindquist & Vennum P.L.L.P.
4200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402

LEASE AGREEMENT

PARTIES

THIS LEASE AGREEMENT, made and entered into as of the 2nd day of September, 2008, between WELLS FARGO BROKERAGE SERVICES, LLC, a Delaware limited liability company having its principal office and address in Minneapolis, Minnesota, as lessor (the "Lessor"), and CORSON COUNTY, SOUTH DAKOTA, a duly organized and existing political subdivision of the State of South Dakota having its administrative offices at McIntosh, South Dakota (the "Lessee").

WITNESSETH:

WHEREAS, the Lessor has agreed to lease the County Courthouse (the "Property") on the land described in EXHIBIT A hereto (the "Land") from the Lessee pursuant to a Ground Lease Agreement of even date herewith (the "Ground Lease Agreement"); and

WHEREAS, the Lessee has heretofore entered or proposes to enter into a contract as the agent for the Lessor for the acquisition of a county courthouse (the "Project Building") on the property owned by the Lessee; and

WHEREAS, the Lessee proposes to commence acquisition of the Project Building; and

WHEREAS, the Lessor proposes to cause the Lessee to acquire the Project Building and to lease the Land and the Project Building (the "Leased Property") to the Lessee, and the Lessee desires to lease and purchase the Leased Property from the Lessor upon the terms and conditions set forth in this Lease;

LEASING CLAUSE

The Lessor hereby leases to the Lessee, and the Lessee hereby hires and takes from the Lessor, the following (the "Leased Property"):

I. All of the Lessor's right, title and interest in and to the Project Building on the land located in Corson County, South Dakota, set forth in EXHIBIT A hereto attached; and

II. The premises, buildings and improvements situated or to be situated thereon, together with all items of fixtures, machinery, equipment, trade fixtures and related property paid for from funds placed in the Escrow Fund by the Lessor pursuant to Section 3.02 hereof or equipment substituted for that equipment pursuant to Section 5.07 hereof which is or will be situated on or in the Leased Property.

TERM AND CONSIDERATION

TO HAVE AND TO HOLD the Leased Property unto the Lessee, in consideration of the Rent provided in Section 4.01 of this Lease to be paid by the Lessee and the terms, covenants and conditions to be performed and kept by the Lessee, for a term (the "Lease Term") commencing on the date hereof, and ending upon the occurrence of the earliest of the following events:

- (a) Termination hereof by the Lessee because of nonappropriation pursuant to Section 4.06 hereof.
- (b) The exercise by the Lessee of its option to purchase the Leased Property pursuant to Article X hereof.
- (c) The occurrence of an Event of Default and termination of this Lease by the Lessor pursuant to Article IX hereof.
- (d) The payment by the Lessee of all Rent and other amounts required to be paid by the Lessee hereunder.

This Lease is granted and accepted upon the following representations, terms, covenants and conditions, and the Lessor and the Lessee hereby agree to keep and perform all the terms, covenants and conditions hereof on their part to be kept and performed, as follows:

ARTICLE I

DEFINITIONS, PROJECT DESCRIPTION

Section 1.01. Defined Terms Generally. In addition to the words and terms elsewhere defined in this Lease, the following words and terms as used in this Lease shall have the following meanings unless the context or use indicates another or different meaning or intent and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

“Authorized Lessee Representative” means the person at any time designated to act on behalf of the Lessee by written certification furnished to the Lessor, containing the specimen signature of such person and signed on behalf of the Lessee by the Chairperson or the County Auditor. Such certification may designate an alternate or alternates.

“Business Day” means any day other than a Saturday, a Sunday, a day on which banking institutions or governmental offices are authorized by law to close for general banking purposes in the State of South Dakota or a day on which the Lessor or the Lessee is unable to open or be open for reasons not related to its financial condition.

“Certification” means a certification in writing required or permitted by the provisions of this Lease, signed and delivered to the Lessor or other proper person or persons.

“Certified Resolution” means a copy of a resolution of the Governing Body, certified by the County Auditor of the Lessee to have been duly adopted by said Governing Body and to be in full force and effect on the date of such certification.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Completion Date” means the date the Project is completed.

“Default” means default by the Lessee in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Lease, exclusive of any notice or period of grace required to constitute a default an “Event of Default” as described in Section 9.01 of the Lease.

“Escrow Agent” means Wells Fargo Brokerage Services, LLC, and any successor Escrow Agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement, dated as of September 2, 2008, between the Lessor and the Lessee.

“Escrow Fund” means the Escrow Fund established by the Escrow Agent pursuant to the Escrow Agreement.

“Event of Default” means an Event of Default described in Section 9.01 of the Lease, which has not been cured.

“Financial Newspaper” or “Financial Journal” means any newspaper or journal of general circulation carrying financial news circulated in the English language in Minneapolis and St. Paul, Minnesota.

“Fiscal Year” means the Lessee’s fiscal year, and shall initially mean the 12-month period commencing on the first day of January in each year.

“Governing Body” means the County Commission of the Lessee.

“Ground Lease” means the Ground Lease of even date herewith, from Corson County, South Dakota, as lessor, to Wells Fargo Brokerage Services, LLC, as lessee, of the Land.

“Hazardous Materials” means, without limitation, any flammable explosives, radioactive materials, hazardous waste, hazardous or toxic substances or related materials defined in the Comprehensive Environmental Response, Comprehensive and Liability Act of 1980, as amended (42 U.S.C. SS 9601, et. seq.) and The Hazardous Materials Transportation Act, as amended (40 U.S.C. SS 1801, et. seq.) , and the regulations adopted and publications promulgated pursuant thereto, or any other federal, state, or environmental law, ordinance, rule, or regulation with respect to such materials.

“Independent Counsel” means any attorney duly admitted to practice law before the highest court of any state and not an officer or a full time employee of the Lessor or the Lessee.

“Land” means the parcel or parcels or other interests in real estate described in EXHIBIT A hereto.

“Lease” means this Lease Agreement as from time to time amended pursuant to Section 11.05 hereof.

“Lease Term” means period during which this Lease is in effect.

“Leased Property” means the real estate, interests in real estate and other rights described in the Leasing Clause above, EXHIBIT A hereto and any lease supplementing this Lease, together with all additions thereto and substitutions therefor, less such real estate and interests in real estate as may be released pursuant to Section 7.03 hereof or taken by the exercise of the power of eminent domain as provided in Section 6.02 hereof. The term includes only such equipment paid for from funds placed in the Escrow Fund by the Lessor pursuant to Section 3.02 hereof or equipment substituted for that equipment pursuant to Section 5.07.

“Lessee” means Corson County, South Dakota, a duly organized and existing political subdivision of the State of South Dakota and any successors to its functions.

“Lessor” means Wells Fargo Brokerage Services, LLC, its successors and assigns.

“Net Proceeds,” when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorney’s fees and any extraordinary expenses of the Lessor) incurred in the collection of such gross proceeds.

“Notice Address” of the Lessor or the Lessee means such person’s address set forth in Section 11.03 hereof or such further or different address as such person may designate by notice to the others.

“Opinion of Counsel” means a written opinion of counsel (who need not be Independent Counsel unless so specified) appointed by the Lessee or the Lessor.

“Payment Date” means each May 15 and November 15, commencing November 15, 2008.

“Permitted Encumbrances” means, as of any particular time, (i) liens for ad valorem taxes and special assessments not then delinquent, (ii) this Lease and the Ground Lease, (iii) the Lessor’s interest in the Leased Property, (iv) such minor defects, irregularities, encumbrances, easements, rights-of-way, mineral rights, restrictions, exceptions and clouds on title as normally exist with respect to properties similar in character to the Leased Property and as do not in the aggregate, materially impair the property affected thereby for the purposes for which it was acquired or is held by the Lessee, (v) and those additional encumbrances identified in EXHIBIT B hereto.

“Project” means a project to acquire one or more buildings on the Land for use by the Lessee for the County Courthouse with necessary equipment, appurtenances and site improvements.

“Project Building” means the County Courthouse and any other improvements located or to be located on the Land.

“Project Costs” means all costs of payment of, or reimbursement for, acquisition, construction, installation and financing of the Project, including but not limited to administrative costs, engineering costs, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recording costs, costs of obtaining title insurance or a title opinion, printing costs, reproduction and binding costs, legal fees and charges, costs of preparing the Ground Lease and this Lease Agreement, the Escrow Agreement and all related documents, certificates, opinions, and costs, professional and financial consultant fees, and charges and fees in connection with the foregoing.

“Qualified Investments” means obligations authorized for investment of funds of the Lessee under South Dakota Statutes, or any successor provision at the time in effect.

“Rent” means rent payable to the Lessor under Section 4.01 of this Lease, including amounts designated as principal and interest.

“Resolution” means the resolution of the Governing Body of the Lessee adopted, April 1, 2008 authorizing the execution and delivery of this Lease, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

Section 1.02. Additional Provisions as to Interpretation. The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision, refer to this Lease as a whole rather than to any particular section or subdivision hereof.

References herein to any particular section or subdivision hereof are to the section or subdivision of this instrument as originally executed.

ARTICLE II

REPRESENTATIONS

Section 2.01. Representations by the Lessee. The Lessee makes the following representations:

- (a) The Lessee is a duly organized and existing political subdivision of the State of South Dakota.
- (b) The execution and delivery of this Lease and the performance of all covenants and agreements of the Lessee contained in this Lease are authorized by the Constitution and laws of the State of South Dakota and the execution, delivery and performance of this Lease by the Lessee are authorized and have been duly authorized by the Resolution.
- (c) The Lessee has not made, done, executed or suffered and warrants that it will not make, do, execute or suffer any act or thing whereby its leasehold interest in the Leased Property may be impaired or charged or encumbered other than as provided herein.
- (d) There is no litigation pending or, to the best of its knowledge, threatened against the Lessee relating to the acquisition, installation, construction or financing of the Project or to this Lease or questioning the organization, powers or authority of the Lessee.
- (e) The execution and delivery of this Lease and the consummation of the transactions herein contemplated will not materially conflict with or constitute a material breach of or default under any bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which the Lessee is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Lessee contrary to the terms of any instrument or agreement.
- (f) Lessee does not reasonably anticipate that it will issue tax exempt obligations (not including "private activity bonds" as defined in Section 141 of the Code in an aggregate amount in excess of \$10 million during the calendar year in which this Lease term commences, and this Lease is designated as a qualified tax exempt obligation for purposes of Section 265 (b) (3) of the Code relating to deductibility of interest by financial institutions.
- (g) The Lessee does not rely on any warranty of the Lessor, either express or implied, as to the title or condition of the Leased Property or that it will be suitable to the Lessee's needs and recognizes that the Lessor is not obligated to operate or maintain the Leased Property or to expend any funds thereon.
- (h) The Lessee will maintain Leased Property at all times free of Hazardous Material or other materials the removal of which is required or the maintenance of which is

prohibited or penalized under any Federal, State, or local law and the Lessee warrants and represents that the Leased Property is not affected by any such materials as of the date hereof. The Lessee agrees promptly:

- (i) To transmit to the Lessor copies of any governmental citations, orders or notices received with respect to Hazardous Materials which may result in a penalty, liability, or cost greater than \$1,000;
 - (ii) To observe and comply with any and all laws, ordinances, rules, regulations, licensing requirements or conditions relating to the use, maintenance or disposal of Hazardous Materials and all orders or directives from any official, court, or governmental agency of competent jurisdiction relating to the use or maintenance or requiring the removal, treatment, containment, or other disposal of such Hazardous Materials;
 - (iii) To pay or otherwise dispose of any fine, charge, or imposition relating thereto which, if unpaid, would constitute a lien upon Leased Property or any part thereof.
- (i) The Leased Property is essential for the lessee to perform its essential governmental functions.

Section 2.02. Representations by the Lessor. The Lessor makes the following representations:

- (a) The Lessor is a limited liability company duly organized and validly existing and in good standing under the laws of Delaware and is authorized to transact business in the State of South Dakota.
- (b) Neither the execution and delivery of this Lease nor the covenants, agreements or obligations of the Lessor under this Lease constitute a material default (or an event which, with notice or the lapse of time, or both, would constitute a material default) under any contract, agreement or other instrument or document to which the Lessor is a party or by which the Lessor or its property is bound.
- (c) The Lessor possesses all requisite authority, power, licenses, permits and franchises to conduct all business contemplated in this Lease to be conducted by it, to execute and deliver this Lease and to observe and perform its covenants, agreements and obligations under this Lease.
- (d) The execution and delivery of this Lease by the Lessor and the observance and performance by the Lessor of its covenants, agreements and obligations under this Lease do not require the consent or approval of any governmental authority which has not been obtained.
- (e) The Lessor has duly authorized by proper action its execution, delivery, observance and performance of this Lease.

(f) Assuming the due authorization, execution and delivery thereof by the Lessee, this Lease and all instruments and documents contemplated in this Lease which are executed and delivered by the Lessor constitute and will constitute legal, valid, binding and enforceable obligations or representations, as the case may be, of the Lessor, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and except to the extent that the enforceability thereof may be affected by general principles of equity.

(g) Neither this Lease nor the covenants, agreements or obligations of the Lessor under this Lease contravene the Lessor's articles of incorporation or by-laws, or violate in any material respect any statute, rule, regulation or other law, or any court or administrative order, applicable to the Lessor.

ARTICLE III

ACQUISITION OF THE PROJECT

Section 3.01. Agreement to Acquire the Project. The Lessor agrees to cause the acquisition of the Project to be completed in full accordance with the plans and specifications as they may be amended from time to time. In order to assure the expeditious acquisition of the Project, the Lessor hereby appoints the Lessee as its agent to cause the acquisition of the Project to be completed. The Lessee agrees that:

- (a) It will cause the acquisition of the Project to be completed as herein provided;
- (b) It will make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations, including the architects of its choice, and in general do all things which may be requisite or proper, all for acquiring and constructing the Project in accordance herewith;
- (c) It will ask, demand, sue for, levy, recover and receive such sums of money, debts or other demands whatsoever to which it may be entitled under any contract, order, receipt, guaranty, warranty, writing or instruction in connection with any of the foregoing, and it will enforce the provisions of any such contract, agreement, obligation, bond or other security. Any amounts received in connection with the foregoing, after deduction of expenses incurred in such recovery, shall be paid into the Escrow Fund, or shall be credited to the payment of Rent due or to become due hereunder.

The Lessee agrees to use all reasonable efforts to cause the Project and all other facilities and equipment necessary in connection therewith to be acquired, constructed and installed as soon as feasible.

Section 3.02. Agreement to Create Escrow Fund. In order to provide funds for payment of the cost of the acquisition, installation and construction provided for in Section 3.01 hereof, the Lessor has, or will have, upon the execution of this Lease, deposited \$1,150,000 in the Escrow Fund held by the Escrow Agent pursuant to the Escrow Agreement, to be used by the Lessee for the payment of Project Costs as provided in the Escrow Agreement.

ARTICLE IV

RENT, PURCHASE PRICE, PREPAYMENT

Section 4.01. Rent. During the Lease Term and except as provided in Section 4.06 hereof and except to the extent the Rent may be abated or reduced under Section 4.06 or Section 5.07 hereof, the Lessee agrees to pay and shall pay as Rent for the use of the Leased Property:

- (a) On or before each Payment Date, the Lessee shall pay to the Lessor in immediately available funds the amounts set forth as the Total Payment Due in Schedule I hereto on the dates therein set forth, said amounts to represent repayment of principal and payment of interest as designated in said Schedule I; and
- (b) The Lessee shall pay such amounts, if any, as may become payable under Section 10.01, 6.01 or 6.02 hereof; and
- (c) The Lessee shall pay into any fund designated by the Lessor or to the United States moneys in the amount determined by the Lessor to be necessary to comply with the Lessee's obligations under Section 7.09(c) hereof;

Section 4.02. Place of Payment of Rent. The parties acknowledge and agree that the Rent provided for in Section 4.01 shall be paid to the Lessor.

Section 4.03. Net Lease. This is a net lease, and the Lessor shall not be required to make any expenditures whatsoever in connection with this Lease or the Leased Property (except as otherwise provided in this Lease with respect to moneys deposited in the Escrow Fund), or to make any repairs or to maintain the Leased Property. The obligations of the Lessee to make the payments of Rent required in Section 4.01 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, except as provided in Section 4.06 hereof; and the Lessee (i) will not, subject to the provisions of Sections 4.05 and 4.06 hereof, suspend or discontinue any payments of Rent provided for in Section 4.01 hereof, and shall not withhold any payment of Rent or other payment required hereunder pending resolution of any dispute or assert any right of set-off or counterclaim against its obligation to make such payment of Rent or other payments required under this Lease; (ii) will perform and observe all of its other agreements contained in this Lease; and (iii) except as provided in Sections 4.06 and 10.01 hereof will not terminate the Lease Term for any cause including, without limiting the generality of each of the foregoing, failure to complete the Project, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Leased Property, frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of South Dakota or any political subdivision of either, or any failure of the Lessor to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Lease. Nothing contained in this Section shall be construed to release the Lessor from the performance of any of the agreements on its part contained in this Lease; and in the event the Lessor should fail to perform any such agreement on its part, the Lessee may

institute such action against the Lessor as the Lessee may deem necessary to compel the performance of such agreement or to recover damages therefor, so long as no judgment or court order sought or obtained in such action shall result in the termination hereof or interfere with the prompt and full payment of the Rent as contemplated hereby.

Section 4.04. Interest on Unpaid Rent. In the event the Lessee shall fail to make any payment of Rent required to be paid under Section 4.01 hereof, the item or installment so in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay interest on any Rent in default at a rate of interest equal to one percent (1.00%) per month or part of a month, pursuant to South Dakota Statutes. Such payment shall be a credit against the payment of Rent next coming due.

Section 4.05. Prepayment of Rents. There is expressly reserved to the Lessee the right, and the Lessee is authorized and permitted, on a payment date, to prepay in whole but not in part the Rent payable under Section 4.01 hereof as described in Section 10.01 hereof, and the Lessor agrees to accept such prepayment of Rent when the same is tendered by the Lessee.

Whenever, in this Lease, reference is made to prepayment of all Rent or payment of an amount sufficient to prepay all Rent to become due, the amount required to effect such prepayment shall be deemed to be the Total Payment Due plus the Termination Value set forth in Schedule I hereto with respect to the next succeeding termination date.

Section 4.06. Termination by Lessee upon Nonappropriation. The Lessee shall have the right to terminate this Lease, in whole but not in part, at the end of any Fiscal Year of the Lessee, in the manner and subject to the terms specified in this Section, in the sole event that the Governing Body fails to appropriate money sufficient for the continued performance of this Lease by the Lessee after the end of such Fiscal Year, as evidenced by the passage of a resolution specifically prohibiting the Lessee from performing its obligations under this Lease and from using any moneys to pay the Rent due under this Lease in the next succeeding Fiscal Year and all subsequent Fiscal Years. The Lessee may effect such termination by giving the Lessor a written notice of termination as provided in this Section and by paying to the Lessor any Rent and other amounts which are due and have not been paid at or before the end of its then current Fiscal Year. The Lessee shall give notice to the Lessor of termination pursuant to this Section not less than sixty (60) days prior to the end of the then current Fiscal Year, and shall notify the Lessor of any anticipated termination. In the event of termination of this Lease as provided in this Section, the Lessee shall deliver possession of the Leased Property to the Lessor and shall convey to the Lessor or release its interest in the Leased Property within ten (10) days after the termination of this Lease.

Upon termination of this Lease as provided in this Section, the Lessee shall not be responsible for the payment of any Rent coming due with respect to succeeding Fiscal Years, but if the Lessee has not delivered possession of the Leased Property to the Lessor and conveyed to the Lessor or released its interest in the Leased Property within ten (10) days after the termination of this Lease, the termination shall nevertheless be effective, but the Lessee shall be responsible for the payment of damages in an amount equal to the amount of the Rent thereafter coming due under

Section 4.01 hereof which is attributable to the number of days after such ten (10) day period during which the Lessee fails to take such actions and for any other loss suffered by the Lessor as a result of the Lessee's failure to take such actions as required.

Section 4.07. Not General Obligation. Notwithstanding any other provision of this Lease Agreement, this Lease Agreement shall not constitute a general obligation of the Lessee, and the full faith and credit of the Lessee are not pledged for the payment of the Rent or the performance by the Lessee of its other obligations hereunder. The Rent shall be paid, and the other obligations of the Lessee shall be met, solely from the amount appropriated by the Governing Body for such purpose in the Lessee's annual budget and shall constitute a current expense of the Lessee for the Lessee's Fiscal Year then in effect. Nothing in the Lease Agreement shall be deemed to obligate the Lessee to budget or appropriate moneys or to pay Rent due following the end of its then current Fiscal Year. This Lease Agreement shall not constitute an indebtedness of the Lessee within the meaning of the Constitution or the laws of the State of South Dakota.

ARTICLE V

USE, MAINTENANCE, CHARGES AND INSURANCE

Section 5.01. Use of Leased Property. The Lessee covenants that throughout the term hereof, it will use and operate the Leased Property as public property in furtherance of its essential governmental functions, as further provided herein, and in compliance with all laws, regulations and ordinances applicable thereto.

Section 5.02. Quiet Enjoyment. The Lessor agrees that the Lessee upon paying the Rent and performing the covenants herein agreed by it to be performed and any subtenant claiming under the Lessee shall and may peaceably and quietly have, hold, and enjoy the said Leased Property for the term specified. The Lessor or its agents shall have the right at all reasonable times during the Lease Term to enter the Leased Property for the purpose of examining or inspecting the Leased Property. Nothing in this Section shall imply any duty upon the part of the Lessor to examine the Leased Property or to do or pay for any work which under any provision of this Lease the Lessee is required to perform, and the performance thereof by the Lessor shall not constitute a waiver of the Lessee's default in failing to perform the same.

Section 5.03. Maintenance of Leased Property by Lessee. The Lessee agrees that during the Lease Term it will keep the Leased Property, including all appurtenances thereto, in good repair and good operating condition at its own cost, and upon the expiration or termination of the Lease Term it will, unless it shall have elected to exercise its option to purchase the Leased Property granted hereunder, surrender the Leased Property to the Lessor in as good condition as prevailed at the time it was put in full possession thereof, loss by fire or other casualty covered by insurance, ordinary wear and tear, obsolescence and acts of God excepted, subject to the provisions of Section 5.04 of this Lease.

Section 5.04. Alterations. The Lessee shall have the privilege of remodeling the Project Building or making alterations, additions, modifications and improvements to the Leased Property from time to time as the Lessee, in its discretion, may deem to be desirable for its uses and purposes, provided that such alterations, additions, modifications and improvements shall not adversely affect the structural integrity or value of the Project Building and shall be located within the boundaries of the Land. The cost of such alterations, additions, modifications and improvements shall be paid by the Lessee and the same shall be the property of the Lessor and be included under the terms of this Lease as and shall become part of the Leased Property.

Notwithstanding the preceding paragraph of this Section 5.04, the Lessee may (a) construct facilities owned by the Lessee adjacent to or adjoining the Project Building and provide access to such facilities through the walls of the Project Building, provided that the Lessee shall, at the expense of the Lessee, restore the Project Building to a complete architectural unit upon termination of this Lease unless the Lessee exercises its option to purchase the Leased Property; and (b) the Lessee may permit the construction of walkways owned by the Lessee or another public or private entity and connected to the Project Building.

Section 5.05. Liens. The Lessee will not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, charge, lien, encumbrance or claim, except the respective rights of the Lessor and the Lessee as herein provided and Permitted Encumbrances, to be established or remain on or against the Leased Property, including any mechanics' liens for labor or materials furnished in connection with the acquisition, installation or construction of the Project or with any remodeling, additions, modifications, improvements, repairs, renewals or replacements; provided, that if the Lessee shall first notify the Lessor of its intention so to do, the Lessee may in good faith contest any mechanics' or other liens filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Lessor shall notify the Lessee that, in the opinion of Independent Counsel, by nonpayment of any such items the rights or interest of the Lessor will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items. The Lessor will cooperate promptly and fully with the Lessee in any such contest. Except as expressly provided in this Section, the Lessee will promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such mortgage, pledge, charge, lien, encumbrance or claim if the same shall arise at any time, and shall reimburse the Lessor for any expense incurred by the Lessor in order to discharge or remove any such mortgage, pledge, charge, lien, encumbrances or claim.

Section 5.06. Certification as to Leased Equipment and Alterations. The Lessee agrees that it will file with the Lessor, from time to time upon request of the Lessor, a Certification of the Authorized Lessee Representative setting forth the description on any machinery, fixtures, equipment or related property which has become a part of the Leased Property, and if requested by the Lessor, a description of any additions, remodeling, modifications or improvements to the Leased Premises which have been made during the Fiscal Year next preceding the filing of such Certification.

Section 5.07. Removal of Leased Equipment. The Lessor shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary equipment constituting part of the Leased Property. The Lessee shall have the privilege from time to time of substituting for Project equipment machinery, equipment and related property that is part of the Leased Property, provided that such property so substituted shall not impair the operating unity or productive capacity of the Leased Property. Any such substituted property shall become the property of the Lessor and be included under the terms of this Lease, and the replaced Leased Property shall become the property of the Lessee.

The Lessee shall also have the privilege of removing any equipment constituting part of the Leased Property, without substitution therefor; provided, that the Lessee delivers to the Lessor (i) a Certification signed by the Authorized Lessee Representative setting forth the cost and value or, if sold or to be sold, the cost and net proceeds of sale or anticipated net proceeds of said equipment and stating that the removal of such equipment will not impair the operating unity, productive capacity or character of the Project, and (ii) payment to the Lessor of a sum equal to the net proceeds of any such sale or the then depreciated book value of any such equipment, whichever is greater, to be applied as provided in this Section. The Lessor may request such

other Certifications and showings as it may deem reasonable under the circumstances in connection with the removal of equipment.

The Lessee may also at any time while it is not in default under this Lease remove from the Leased Property any machinery or equipment purchased and installed by it pursuant to this Section 5.07.

In the event any removal of machinery or equipment under this Section causes damage to the Project Building, the Lessee shall restore the same or repair such damage at its sole expense.

The Lessor agrees to execute and deliver such documents (if any) as the Lessee may properly request in connection with any action taken by the Lessee in conformity with this Section 5.07. The removal from the Leased Property of any equipment pursuant to the provisions of this Section shall not entitle the Lessee to any abatement or diminution of the Rent payable under Section 4.01 hereof, except that any amounts payable to the Lessor by reason of removal of equipment shall be credited against subsequent payments of Rent to become due under the provisions of Section 4.01 hereof. The Lessee will not remove, or permit the removal of, any equipment owned by the Lessor from the Leased Property except in accordance with the provisions of this Section.

Section 5.08. Taxes, Other Governmental Charges and Other Charges. The Lessee will pay, as the same respectively become due, all taxes, special assessments, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property or any furnishings, equipment or other property installed or brought by the Lessee therein or thereon, including sales, use and other excise taxes, and all claims for rent, royalties, labor, materials, supplies, utilities and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Leased Property.

The Lessee may, at its expense and in its own name and behalf or in the name and behalf of the Lessor in good faith contest any such taxes, payments in lieu of taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, payments in lieu of taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Lessor shall notify the Lessee that, in the opinion of Independent Counsel, by nonpayment of any such items the rights or interest of the Lessor in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event such taxes, payments in lieu of taxes, assessments or charges shall be paid promptly. The Lessor will cooperate with the Lessee in permitting the Lessee to conduct any such contest.

Section 5.09. Fire and Extended Coverage and Boiler and Machinery Insurance. So long as this Lease is in effect, the Lessee shall obtain and at all such times maintain in force fire and extended coverage insurance (including coverage against loss or damage by fire, wind, lightning, extended coverage perils, vandalism and malicious mischief) on the Project Building and all structures, improvements, fixtures and equipment constituting the Leased Property, other than building foundations and excavations, on a replacement cost basis to the extent of the full

insurable value of the property to be so insured (without deduction for depreciation, architectural, engineering, legal or administrative fees), together with broad form boiler and machinery insurance on all equipment and objects customarily covered by such insurance and providing for full repair and replacement cost coverage. Any such policy referred to in this Section 5.09 may contain reasonable deductible and coinsurance provisions with the result that the Lessee is its own insurer to the extent provided herein.

As an alternative to the above, the Lessee may self insure against damage to or destruction of the Leased Property in the same manner as the Lessee insures itself against damage to or destruction of other property of the Lessee, or the Lessee may insure such property under a blanket insurance policy or policies which cover not only such property but other properties of the Lessee, which policy or policies may contain such reasonable deductible and coinsurance provisions as the Lessee may deem necessary or appropriate and prudent.

Section 5.10. Public Liability Insurance. The Lessee agrees that it will carry public liability insurance with reference to the Leased Property in the amounts required by law. The Lessor shall be named as an additional insured under any such policies. The insurance required by this Section may be provided by self-insurance or by a blanket insurance policy or policies.

Section 5.11. Worker's Compensation Coverage. Throughout the Lease Term, the Lessee shall maintain Worker's Compensation Coverage or cause the same to be maintained to the extent required by law. The insurance required by this Section may be provided by self-insurance.

Section 5.12. Additional Provisions Respecting Insurance. Any insurance policy issued pursuant to Article V hereof shall be so written or endorsed as to make losses, if any, payable to the Lessor and the Lessee as their respective interests may appear. All such policies shall be obtained from companies authorized to conduct insurance business in the State of South Dakota. Each insurance policy provided for in Sections 5.09, 5.10 and 5.11 hereof shall contain a provision to the effect that the insurance company shall not cancel the same without first giving written notice thereof to the Lessor at least thirty (30) days in advance of such cancellation, and the Lessee shall deliver to the Lessor duplicate copies of certificates of insurance pertaining to each such policy of insurance procured by the Lessee and agrees to keep such duplicate copies of certificates up to date.

ARTICLE VI

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 6.01. Damage and Destruction. If the Leased Property shall be damaged or partially or totally destroyed by fire, flood, windstorm or other casualty at any time during the Lease Term, there shall be no abatement or reduction in the Rent payable by the Lessee under this Lease, and, unless the Lessee shall have elected to exercise its option to purchase pursuant to the provisions of Article X of this Lease, (i) the Lessee will proceed to repair, rebuild or restore the property damaged or destroyed with changes, deletions, alterations and modifications (including the substitution and addition of other property and removal of existing property), whether or not such changes, deletions, alterations and modifications result in changes in the character of the operations which may be conducted or in the productive capacity of the Leased Property, as may be desired by the Lessee, and (ii) the Lessor will apply so much as may be necessary of the Net Proceeds of insurance received by the Lessor to payment of the cost of any such repair, rebuilding or restoration, either on completion thereof or as the work progresses, upon delivery to the Lessor of the following: (I) a Certification signed by the Authorized Lessee Representative setting forth the costs theretofore incurred or paid and that the Lessee has the additional funds required to complete the restoration, if any, and (II) a contract or contracts, including plans and specifications and other contract documents necessary and usual for the work involved, for the furnishing of all work and materials required for the restoration, and, if reasonably requested by the Lessor, a payment and performance bond issued by a corporate surety or, alternatively, a Certification of an Authorized Lessee Representative that the restoration has been substantially completed and all costs thereof have been paid, with the exception of any amounts reasonably withheld to insure completion. In the event said Net Proceeds are not sufficient to pay in full the costs of any such repair, rebuilding or restoration, the Lessee will nonetheless complete the work thereof and will provide for payment of the portion of the cost thereof in excess of the amount of said Net Proceeds made available unless the Authorized Lessee Representative shall certify to the Lessor that the Lessee elects to prepay the Rent hereunder, pursuant to Section 10.01 hereof, and that the Lessee has available and shall apply funds for such purpose. The Lessee shall not, by reason of the payment of any excess costs over the available Net Proceeds, be entitled to any reimbursement from the Lessor or any diminution or abatement of the Rent payable under this Lease.

Any amounts held by the Lessor and remaining at the completion of, and payment for, any such repair, rebuilding or restoration, shall be applied to payments of Rent due or to become due under Section 4.01 of this Lease.

In the event the Lessee certifies in the manner above described and elects not to repair, rebuild or restore the damaged or destroyed property as above provided, all of the Rent due and to become due hereunder shall be prepaid pursuant to Section 10.01 hereof and the Net Proceeds shall be applied for that purpose. If the Net Proceeds of insurance shall be insufficient, together with the amount then held by the Lessor for the account of the Lessee and available to prepay all of the unpaid Rent (including principal, interest and expenses of prepayment), the Lessee shall pay such deficiency as Rent prior to the prepayment of all Rent at the earliest possible date. If all Rent has

been fully paid or prepaid, and all other payments required hereunder have been made or provided for, all Net Proceeds will be paid to the Lessee.

Section 6.02. Condemnation. Unless the Lessee shall exercise its option to purchase pursuant to the provisions of Article X hereof, if at any time during the Lease Term title to all or substantially all of the Leased Property shall be taken in any proceeding (hereinafter referred to as a "Proceeding") involving exercise of the right of eminent domain, this Lease (except as to the following provisions of this Section 6.02 and the provisions of Section 7.09 (c) hereof) and the Lease Term, and all right, title and interest of the Lessee in the Leased Property, shall come to an end at midnight of the 31st day after vesting of title pursuant to the Proceeding, and the Lessor shall be entitled to receive the Net Proceeds of the award, which the Lessee hereby assigns to the Lessor. If the Net Proceeds of the award available to the Lessor shall be insufficient, together with any amount then held by the Lessor for the account of the Lessee, the Lessee shall pay such deficiency as Rent prior to the prepayment date. If the available Net Proceeds of the award, together with the amount then held by the Lessor for the account of the Lessee, is in excess of the amount required to prepay all Rent as aforesaid, such excess shall be paid in full to the Lessee. The available Net Proceeds of the award received by the Lessor (less any excess amount paid to the Lessee, as hereinbefore provided), together with any additional amounts paid by reason of insufficiency and with any amounts then held by the Lessor for the account of the Lessee, shall be applied to the prepayment of all Rent at the earliest possible date. For purposes of this Section, "all or substantially all of the Leased Property" shall be deemed to have been taken if the taking under any Proceeding shall involve such an area, or such impairment of access to the Leased Property over public highways, that the Lessee cannot in its opinion, evidenced by written notice to the Lessor, given within thirty (30) days after the commencement of the Proceeding, reasonably operate its business in the remainder of the Leased Property for a period of at least six (6) months substantially in the same manner and as satisfactorily as before.

If, during the Lease Term, title to less than all or substantially all of the Leased Property shall be taken in any Proceeding, neither the terms of this Lease nor any of the obligations of either party under this Lease shall be reduced or affected in any way, and the Lessee shall promptly repair, rebuild or restore the Leased Property to the extent necessary to render the Leased Property a complete architectural unit, but if the portion of the Leased Property remaining after such taking is in itself a complete architectural unit, the Lessee need make only such repair, rebuilding or reconstruction as it may in its discretion deem necessary for its operation of the Leased Property. The Lessor will cause the Net Proceeds received by it from any award made in such Proceeding to be applied to any such repair, rebuilding or restoration, and if the Net Proceeds shall be insufficient to pay the cost of any such repair, rebuilding or restoration, the Lessee shall pay the deficiency. Any balance of the available Net Proceeds of the award remaining after paying such cost shall be applied to payments of Rent due or to become due under Section 4.01 hereof. If all Rent has been fully paid, all available Net Proceeds will be paid to the Lessee.

The Lessor and the Lessee shall cooperate fully in the handling and conduct of any prospective or pending Proceeding with respect to the Leased Property or any part thereof, and the Lessor will join with the Lessee to the extent it may lawfully do so and at the Lessee's expense, in maintaining or permitting the Lessee to maintain a defense or contest of the amount of the award

in any such Proceeding. In no event will the Lessor voluntarily settle, or consent to the settlement of, any prospective or pending Proceeding with respect to the Leased Property or any part thereof without the written consent of the Lessee.

Section 6.03. Proceeds of Insurance or Condemnation of Lessee-Owned Property. The Lessee shall also be entitled to the Net Proceeds of any condemnation award or portion thereof made for damages to or taking of its own property or for damages on account of the taking of or interference with the Lessee's right to possession, use of or occupancy of the Leased Property. Similarly, the Lessee shall also be entitled to the Net Proceeds of any fire and extended coverage or similar insurance on its own property not constituting part of the Leased Property.

ARTICLE VII

SPECIAL COVENANTS

Section 7.01. No Warranty of Condition or Suitability. The Lessor does not make any warranty, either express or implied, as to the design or capacity of the Leased Property; as to the suitability for operation of the Leased Property; or as to the condition of the Leased Property or that it will be suitable for the Lessee's purposes or needs. The Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Leased Property and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the Lessee or to third parties, and whether such property damage be to the Lessee's property or the property of others, which is proximately caused by the negligent conduct of the Lessee, its officers, employees and agents.

Section 7.02. Lessee to Maintain its Existence and Qualification; Conditions Under Which Exceptions Permitted. The Lessee agrees that during the Lease Term it will maintain its existence or assure the assumption of its obligations under this Lease by any public body succeeding to its powers.

Section 7.03. Granting Easements. If the Lessee is not then in default, the Lessor at the request of the Lessee from time to time shall grant easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the Land, or may release existing easements, licenses, rights-of-way and other rights or privileges with or without consideration, and the Lessor agrees that it shall execute and deliver any instrument necessary or appropriate to grant or release any such easement, licenses, right-of-way or other right or privilege upon receipt of: (a) a copy of the instrument of grant or release, and (b) a written application signed by the Authorized Lessee Representative requesting such instrument, and certifying that (i) such grant or release is not detrimental to the proper use or operation of the Leased Property, and (ii) such grant or release will not impair the character or productive capacity of the Leased Property. The Lessor will not grant or release any easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to the Land, without the prior written consent of the Lessee. No release or grant effected under the provisions of this Section shall entitle the Lessee to any abatement of the Rent payable under Section 4.01 hereof, except that any moneys payable to the Lessor pursuant to this Section shall be credited against subsequent Rent due or to become due hereunder.

Section 7.04. Reports. The Lessee agrees to obtain and to furnish to the Lessor such reports concerning the repair, maintenance and condition of the Leased Property as the Lessor may from time to time reasonably request.

Section 7.05. Lessee to Maintain Machinery and Movable Equipment. The Lessee agrees that during the Lease Term it will provide and maintain all machinery, personal property and movable equipment necessary in the judgment of the Lessee to permit the full use, operation and occupancy of the Leased Property, and the Lessor shall be under no obligation to provide or maintain any such equipment. In addition to any equipment installed as part of the Project, the

Lessee may from time to time, for that purpose and at its own expense, install additional movable personal property, equipment and machinery in the Project Building or on the Land. Nothing contained in the preceding provisions of this Section shall prevent the Lessee from purchasing, after delivery hereof, movable personal property, equipment, furniture or fixtures, notwithstanding that such movable personal property may be subject to a purchase money security interest, as security for the unpaid portion of the purchase price thereof.

Section 7.06. To Observe Laws, Ordinances and Regulations. The Lessee will observe all applicable laws, regulations, ordinances and orders of the United States, the State of South Dakota and agencies and political subdivisions thereof and each department or agency thereof, applicable to this Lease and the Leased Property. The Lessee shall have the right to contest by appropriate procedures the adoption, validity or applicability of any laws, regulations, ordinances and orders referred to in this Section and to delay compliance therewith, without violating the provisions of this Section, if (a) the Lessor shall consent to such delay in writing or (b) a court of competent jurisdiction shall so order or determine or (c) in the opinion of Independent Counsel furnished to the Lessor, the procedures taken by the Lessee to contest the validity or applicability of any such law, regulation, ordinance or order are appropriate and have the effect of staying the finality and enforceability thereof against the Lessee.

Section 7.07. Further Assurances. The Lessee will execute or cause to be executed any and all further instruments that may reasonably be requested by the Lessor and be authorized by law to evidence the transaction contemplated by this Lease and the Lessor's rights provided or intended to be provided hereby, or to vest in the Lessor or any participant with or assignee of the Lessor or any agent of either the right to receive and apply the payments of Rent required hereunder, and will cause this Lease (or short form lease) and any supplemental instrument to be filed, registered or recorded in any office provided by law and to execute, deliver, file or record any financing statement pursuant to the Uniform Commercial Code if such filing, registration or recording shall be necessary or convenient to effect, protect or confirm the rights of the Lessor hereunder. The Lessee shall pay all recording, filing and registration taxes and fees, together with all expenses incidental to the preparation, execution, acknowledgment, filing, registering and recording of this Lease, of any paper pursuant to the Uniform Commercial Code and of any instrument of further assurance, and all stamp taxes, mortgage registry taxes and other taxes, duties, imposts, assessments and charges lawfully imposed upon this Lease.

Section 7.08. Participations. The Lessee hereby acknowledges the right of the Lessor to create and sell participations or other interests in this Lease, and to assign its rights hereunder to any Servicer pursuant to a Servicing Agreement and the Assignment for the benefit of the purchasers of such participations or other interests. The Lessee agrees to cooperate with the Lessor in the creation and sale of such participations or other interests herein and to execute such instruments and documents as are reasonably requested by the Lessor to accomplish such creation and sale or to evidence the succession of any Servicer to the rights of the Lessor hereunder.

Section 7.09. Tax Exempt Status of Interest Payments. It is the intention of the parties hereto that the interest component of the Rent payable hereunder will not be includable in the gross income of the recipients thereof for purposes of federal income taxation by reason of

Section 103 and related Sections of the Code. In order to confirm and carry out such intention:

- (a) The Lessee shall (i) provide such Certificates of the Authorized Lessee Representative, Opinions of Counsel, and other evidence as may be necessary or requested by the Lessor to establish the exemption of such interest under Section 103 and related Sections and the absence of arbitrage expectation under Section 148 of the Code, and (ii) file such information and statements with the Internal Revenue Service as may be required from the Lessee to establish or preserve such exemption or as may be required by Section 103 and related sections of the Code, regulations thereunder, related provisions of law or regulation and pertinent provisions of the State of South Dakota.
- (b) The Lessee will take no action that would cause the interest component of the Rent payable hereunder to become includable in the gross income of the recipient thereof for federal income tax purposes under the Code and regulations thereunder, and the Lessee will take and will cause its officers, employees and agents to take all actions legally within its power necessary to ensure that the interest component of the Rent payable hereunder does not become includable in the gross income of the recipient for federal income tax purposes under the Code and regulations thereunder.
- (c) The Lessee hereby acknowledges and confirms its obligations under Section 148(f) of the Code and regulations thereunder. Specifically, the Lessee agrees to comply with the rebate requirements imposed under said Section 148(f) and regulations thereunder, including (if applicable) the requirement to make or cause to be made annual calculations of the amount subject to rebate thereunder (at least once every year and upon termination of this Lease), and to maintain or cause to be maintained records of such determinations until six years after the termination hereof, and the requirement to make all required rebates to the United States not later than thirty (30) days after the end of the fifth year and no later than each fifth anniversary thereof, to and until the date which is thirty (30) days after the termination hereof. In construing the Lessee's obligations hereunder, all terms used in this paragraph (c) shall have the meanings provided in said Section 148(f) and regulations thereunder. Notwithstanding any other provision of this paragraph (c), no requirement shall be imposed hereunder if an Opinion of Counsel is rendered, by nationally recognized bond counsel, to the Lessor and the Lessee to the effect that the failure to impose such requirement will not adversely affect the tax-exempt status of the interest component of the Rent payable hereunder. The Lessee agrees to make all required rebate payments to the United States, as and when required, and such payments shall constitute additional Rent under Section 4.01 hereof.

ARTICLE VIII

ASSIGNMENT, SUBLEASING AND SELLING

Section 8.01. Assignment and Subleasing by Lessee. This Lease may be assigned in whole or in part, and the Leased Property may be subleased as a whole or in part, by the Lessee only upon the conditions that:

- (a) No assignment (other than pursuant to Section 8.02 hereof) or subletting shall relieve the Lessee from primary liability for any of its obligations hereunder, and in the event of any such assignment or subletting the Lessee shall continue to remain primarily liable for the payment of the Rent specified in Section 4.01 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by it; and
- (b) Any assignment or sublease from the Lessee must retain for the Lessee such rights and interests as will permit it to perform its obligations under this Lease, and any assignee from the Lessee shall assume the obligations of the Lessee hereunder to the extent of the interest assigned; and
- (c) No assignment or sublease shall impair the tax-exempt status of the interest component of the Rent payable hereunder.

Section 8.02. No Assignment by the Lessor. The Lessor may not assign its rights and interest in, and pledge any moneys receivable under or pursuant to, this Lease, except to a Servicer pursuant to a Servicing Agreement separately entered into by the parties.

Section 8.03. Restrictions on Transfer and Encumbrances of Leased Property by the Lessee. The Lessee agrees that, except as otherwise provided in this Lease, it will not sell, assign, transfer, convey or otherwise dispose of the Leased Property or any portion thereof during the Lease Term and that it will not, to the extent permitted by law, create or suffer to be created any debt, lien or charge thereon or make any pledge or assignment of or create any lien or encumbrance upon the rents, revenues and receipts derived from the sale, lease or other disposition of the Leased Property other than as provided in Section 8.01 hereof and except as the Lessee may create, levy or enforce in its governmental capacity, special assessments, ad valorem taxes, license fees, and water, sewer and similar user charges to the same extent, if any, as they could otherwise be created, levied or enforced with respect to property of the Lessee.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01. Events of Default. The following shall be "Events of Default" under this Lease and the term "Event of Default" shall mean, whenever used in this Lease, any one or more of the following events:

- (a) If the Lessee fails to pay the Rent required to be paid under Section 4.01 hereof when due; or
- (b) If the Lessee shall default in the due and punctual performance of any of the other covenants, conditions, agreements and provisions contained in this Lease or in any instrument supplemental hereto on the part of the Lessee to be performed, and such default shall have continued for a period of sixty (60) days after written notice, specifying such default and requiring the same to be remedied, shall have been given to the Lessee by the Lessor.

The provisions of paragraph (b) of this Section are subject to the following limitations: If by reason of force majeure the Lessee is unable in whole or in part to carry out its agreements on its part contained herein, the Lessee shall not be deemed in default during the continuance of such disability. The term "force majeure" as used herein includes the following: acts of God; strikes, lockouts or other employee disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State of South Dakota or any of their respective departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes, storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions, breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; fuel shortage; unavailability of materials; or any other cause or event not reasonably within the control of the Lessee. The provisions of paragraph (b) of this Section are subject to the further limitation that if the default can be remedied but not within a period of sixty (60) days after notice and if the Lessee has taken all action reasonably possible to remedy such default within such sixty (60) day period, the default shall not become an event of default for so long as the Lessee shall diligently proceed to remedy such default and in accordance with any directions or limitations of time made by the Lessor. The Lessee agrees, however, to use good faith and reasonable efforts to remedy with all reasonable dispatch any cause or causes preventing the Lessee from carrying out its agreements.

Section 9.02. Remedies on Default. Whenever any Event of Default referred to in Section 9.01 hereof shall have happened and be subsisting, the Lessor or a receiver may (i) enter the Leased Property and take possession of the Leased Property without terminating this Lease, holding the Lessee liable for the difference in the net income derived from such possession and the Rent and other amounts payable by the Lessee hereunder until the termination of the Lease, or (ii) exclude the Lessee from possession of the Leased Property and use its best efforts to again lease or sell the Leased Property in accordance with applicable law, but holding the Lessee liable

for all Rent and other payments otherwise due under this Lease up to the effective date of such new leasing or sale or the termination of the Lease, or (iii) take whatever action at law or in equity may appear necessary or desirable to collect the Rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Lease.

Any amounts collected pursuant to action taken under this Section shall be applied first to advances and expenses as provided in Section 9.05 hereof, and next to the payment or prepayment of Rent (principal, interest and premium, if any), and any excess to the Lessee.

Whenever any Default shall occur, the Lessor may take any action at law or in equity which may appear necessary or desirable to collect the payments then due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Lease.

The provisions of this Section 9.02 and the exercise of any remedy by the Lessor or a receiver pursuant to this Section 9.02 are expressly subject to the provisions of Section 10.03 hereof.

Section 9.03. Remedies Cumulative, Delay Not to Constitute Waiver. No remedy conferred upon or reserved to the Lessor or a receiver by this Lease is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, and any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor or a receiver to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to a particular breach so waived and shall not be deemed to waive any other breach hereunder. In case the Lessor shall have proceeded to enforce any right under this Lease and such proceedings shall have been determined adversely to the Lessor, the Lessor shall be restored to its former position and rights hereunder and all rights, remedies and powers of the Lessor shall continue as if no such proceedings had been taken.

Section 9.04. Agreement to Pay Attorney's Fees and Expenses. In the event the Lessee should default under any of the provisions of this Lease and the Lessor or a receiver should employ attorneys or incur other expenses for the collection of Rent or the enforcement of performance or observance of any obligation or agreement on the part of the Lessee contained in this Lease, the Lessee agrees that, unless a court of competent jurisdiction orders otherwise, the Lessee will on demand therefor reimburse the reasonable fee of such attorneys and such other expenses so incurred.

Section 9.05. Advances. In the event the Lessee shall fail to pay any Rent under Section 4.01 hereof, or shall fail to maintain or repair, rebuild or restore any of the Leased Property, or shall fail to maintain any insurance as required by the provisions of this Lease, or to do any other thing

or make any other payment required to be done or made by any other provision of this Lease, the Lessor, in its sole discretion, may do or cause to be done any such thing or make or cause to be made any such payment at the expense or as an advance for the account of the Lessee, and the Lessee shall pay to the Lessor, upon demand, all costs and expenses so incurred and advances so made, with interest at the rate of one percent (1.00%) per month or part of a month from the date of demand. Any such advance shall be entitled to priority of payment from any funds thereafter received from the Lessee or under Section 9.02.

Section 9.06. Waiver of Appraisement, Valuation, Etc. In the event the Lessee should default under any of the provisions of this Lease, the Lessee agrees to waive, to the extent it may lawfully do so, the benefit of all appraisement, valuation, stay, extension or redemption laws now or hereafter in force, and all right of appraisement and redemption to which it may be entitled, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Lessor, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE X

OPTION TO PURCHASE

Section 10.01. Option to Purchase Leased Property. On any Payment Date during the Lease Term, the Lessee may elect to terminate this Lease upon payment of the Total Payment Due plus the Termination Value set forth in Schedule I hereto with respect to such date, and on such termination date, the Lessee may exercise its option to purchase the Leased Property, in accordance with, and upon fulfillment of the requirements of, this Section and Section 10.02. The Lessee shall have, and is hereby granted, an option to purchase the Leased Property for One Dollar (\$1.00) at the expiration of the Lease Term if full payment or prepayment of all Rent has been made in accordance with the provisions hereof, and any other conditions precedent to the termination of the Lease Term fulfilled, and all payments other than Rent payable hereunder shall have been paid. In the event that the Lessee exercises its option to purchase, the Lessee shall give written notice to the Lessor, and shall specify therein the date of closing such purchase and the date for prepayment of any unpaid Rent; the date of closing the purchase shall be not less than forty-five (45) nor more than ninety (90) days from the date such notice is received by the Lessor, and the closing of the purchase shall take place on or after the prepayment date. The purchase price payable by the Lessee in the event of its exercise of the option granted in this Section shall be the sum of the following:

- (1) an amount of money which, when added to the moneys and investments held by the Lessor for the account of the Lessee, will be sufficient to prepay all Rent due and to become due, as set forth above, plus
- (2) an amount of money equal to any other payments then due and owing hereunder, plus
- (3) the sum of One Dollar (\$1.00) to the Lessor.

In the event of the exercise of the option granted in this Section any Net Proceeds of insurance or condemnation shall be paid to the Lessee, notwithstanding any provision of Sections 6.01 and 6.02 hereof, and the Lessor will deliver to the Lessee the documents referred to in Section 10.02 hereof.

The mutual agreements contained in this Section 10.01 are independent of, and constitute an agreement separate and distinct from, any and all provisions of this Lease and shall be unaffected by any fact or circumstance which might impair or be alleged to impair the validity of any other provisions.

Section 10.02. Conveyance on Exercise of Option to Purchase. On the exercise of any option to purchase granted herein, the Lessor will upon payment of the purchase price deliver or cause to be delivered to the Lessee documents conveying to the Lessee all of the right, title and interest of the Lessor in and to the real and personal property being purchased, as such property then exists, subject to the following: (i) those liens and encumbrances, if any, to which title to

said property was subject when conveyed to the Lessor; (ii) those liens and encumbrances created by the Lessee or to the creation or suffering of which the Lessee consented; and (iii) those liens and encumbrances resulting from the failure of the Lessee to perform or observe any of the agreements on its part contained in this Lease.

Section 10.03. Relative Position of this Article and Article IX. The rights and options granted to the Lessee in this Article shall be and remain prior and superior to Article IX hereof and may be exercised whether or not the Lessee is in default hereunder, provided that such default will not result in nonfulfillment of any condition to the exercise of any such right or option.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Surrender of Leased Property. In the event the Lessee should default under this Lease and the Lease Term is terminated or in the event of a termination of this Lease for nonappropriation pursuant to Section 4.06 hereof, the Lessee agrees to surrender possession of the Leased Property peaceably and promptly to the Lessor in as good condition as prevailed at the time it was put in full possession thereof, loss by fire or other casualty covered by insurance, ordinary wear and tear, obsolescence and acts of God excepted.

Section 11.02. Amounts Remaining in Escrow Fund. It is agreed by the parties hereto that any amounts remaining on deposit with the Lessor for the account of the Lessee upon termination of the Lease Term, as provided in this Lease, including without limitation moneys on deposit in the Escrow Fund after payment in full of all Rent and all other amounts required to be paid hereunder, shall belong to and be paid to the Lessee as overpayment of rents.

Section 11.03. Notices. All notices, certificates, requests or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered mail, return receipt requested, postage prepaid, addressed as follows:

- | | |
|--------------------------|---|
| A. To the Lessor: | Wells Fargo Brokerage Services, LLC
Public Finance Division
608 Second Avenue South
Northstar East Building, 10th Floor
MAC-9303-105
Minneapolis, MN 55479 |
| B. To the Lessee: | County Auditor
Corson County
P. O. Box 286
McIntosh, SD 57641 |

The Lessee or the Lessor may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 11.04. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Lessor, the Lessee and their respective successors and assigns, subject, however, to the limitations contained in Sections 7.01, 8.01, 8.02 and 8.03 hereof.

Section 11.05. Amendments, Changes and Modifications. Except as otherwise provided in this Lease, this Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Lessee and the Lessor.

Section 11.06. Counterparts. This Lease may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same Lease.

Section 11.07. Short Form Lease. The parties hereto, upon written request of either party, shall within thirty (30) days from the date of such request, execute and deliver a short form lease for recording purposes, which shall carry the description of the property, the length of the term, specific reference to and summary of the Lessee's option to purchase, and incorporate by reference only the other provisions of this Lease.

Section 11.08. Severability. In case any section or provision of this Lease, or in case any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken under the Lease, or any application thereof, is for any reason held to be illegal or invalid, or is at any time inoperable by reason of any law, or actions thereunder, such illegality or invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Lease or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken under this Lease, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained therein, nor shall such illegality or invalidity or inoperability or any application thereof affect any legal and valid and operable application therefor from time to time, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent from time to time permitted by law.

Section 11.09. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

Section 11.10. Applicable Law. This Lease shall be interpreted in accordance with and governed by the laws of the State of South Dakota.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease to be executed in their respective names and attested by duly authorized officers all as of the date first above written.

WELLS FARGO BROKERAGE SERVICES, LLC
as Lessor

By: _____

Its: Senior Vice President

STATE OF SOUTH DAKOTA }
 } SS
COUNTY OF PENNINGTON }

The foregoing instrument was acknowledged before me this _____ day of
_____, 2008, by Pam Lang, the Senior Vice President of Wells Fargo Brokerage
Services, LLC, a Delaware limited liability company, on behalf of said company.

Notary Public

[Signature page to Lease Agreement]

CORSON COUNTY, SOUTH DAKOTA,
as Lessee

By: _____
Its: Chairperson

ATTEST:

Its: County Auditor

STATE OF SOUTH DAKOTA }
 }
 } SS
COUNTY OF CORSON }

The foregoing instrument was acknowledged before me this _____ day of
_____, 2008, by _____, the Chairperson and by
_____, the County Auditor of Corson County, South Dakota, a political
subdivision of the State of South Dakota on behalf of said political subdivision.

Notary Public

[Signature page to Lease Agreement]

EXHIBIT A

Legal Description of Land

Courthouse building at Lots 7, 8 and 9 of Block 10 Original Townsite McIntosh City.

EXHIBIT B

Permitted Encumbrances

None.

SCHEDULE 1

Schedule of Basic Rent Payments

See attached

Courthouse

Corson County, SD

Schedule 1

Costs Funded	Payment Rate	17 Payments	Level Payment	Closing Fees	Average Life
\$1,150,000.00	4.63%	2 per year 4.630% Rate	\$40,581.17 Fctr=.035288	\$0.00	2.81 years 33.8 months
			Commencement: Sep 2, 2008		
			Closing Date: Sep 2, 2008		

Pmt	Total Payment Due	Interest Payment Due	Principal Payment Due	After Payment Principal Balance	After Payment Termination Value	Payment Due Date
1	\$0.00		\$0.00	\$1,150,000.00		Sep 2, 2008
2	\$40,581.17	\$10,796.90	\$29,784.27	\$1,120,215.73	\$1,141,475.42	Nov 15, 2008
3	\$40,581.17	\$25,932.99	\$14,648.18	\$1,105,567.55	\$1,122,867.64	May 15, 2009
4	\$650,593.89	\$25,593.89	\$625,000.00	\$480,567.55	\$493,888.96	Nov 15, 2009
5	\$40,581.17	\$11,125.14	\$29,456.03	\$451,111.52	\$462,815.15	May 15, 2010
6	\$40,581.17	\$10,443.23	\$30,137.94	\$420,973.57	\$431,143.16	Nov 15, 2010
7	\$40,581.17	\$9,745.54	\$30,835.63	\$390,137.94	\$398,861.50	May 15, 2011
8	\$40,581.17	\$9,031.69	\$31,549.48	\$358,588.46	\$365,958.41	Nov 15, 2011
9	\$40,581.17	\$8,301.32	\$32,279.85	\$326,308.61	\$332,421.93	May 15, 2012
10	\$40,581.17	\$7,554.04	\$33,027.13	\$293,281.48	\$298,239.88	Nov 15, 2012
11	\$40,581.17	\$6,789.47	\$33,791.71	\$259,489.77	\$263,399.83	May 15, 2013
12	\$40,581.17	\$6,007.19	\$34,573.98	\$224,915.79	\$227,889.10	Nov 15, 2013
13	\$40,581.17	\$5,206.80	\$35,374.37	\$189,541.42	\$191,694.79	May 15, 2014
14	\$40,581.17	\$4,387.88	\$36,193.29	\$153,348.13	\$154,803.75	Nov 15, 2014
15	\$40,581.17	\$3,550.01	\$37,031.16	\$116,316.96	\$117,202.54	May 15, 2015
16	\$40,581.17	\$2,692.74	\$37,888.44	\$78,428.53	\$78,877.52	Nov 15, 2015
17	\$40,581.17	\$1,815.62	\$38,765.55	\$39,662.97	\$39,814.74	May 15, 2016
				\$0.00	\$1.00	Nov 15, 2016

Please Note: Sum of individual principal payments differ from total principal by one cent due to even-cent rounding.

This exhibit is a draft only and may not reflect final terms.

Wells Fargo Public Finance (WFPF) bankers are registered representatives of Wells Fargo Brokerage Services, LLC, or Wells Fargo Institutional Securities, LLC, brokerage affiliates of Wells Fargo & Company and members of the NASD and SIPC.

Investments: • NOT FDIC insured • May lose value • No bank guarantee

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